

EXHIBIT 2



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CONFIDENTIAL TELEFAX MESSAGE

Date: June 1, 2004
To: Gary Podrabsky
President & CEO
Company: Ionics Resources Conservation Company
Telefax: 425-828-0526
From: H. H. Graves
Pages: 55 (Including Cover)

MESSAGE:

Dear Gary:

Please find the attached PPA as discussed in our phone conversation. There is no doubt that we will have substantial revenue in 2006. In the mean time I will push the Section 29 transaction to see if that might help produce cash for RCC.

It seems from the phone conversation that a total payout ASAP is the preferred option by RCC. Please let me know if you think otherwise.

Please handle the attached PPA as confidential.